

75th annual report 2015-16



SAYAJI
Sayaji Industries Limited

SteamTech[®] 2016

9TH NATIONAL CONFERENCE ON BOILER & STEAM SYSTEMS

FEBRUARY 19-20, 2016 • J. B. AUDITORIUM, AMA, AHMEDABAD

CERTIFICATE OF AWARD

FOR BOILER USER INDUSTRY (POWER PLANT) : 2014-2015

This is to certify that

M/s. **MAIZE PRODUCTS, AHMEDABAD**

has been selected as

BEST BOILER USER INDUSTRY (POWER PLANT) : 2014-2015

during

SteamTech 2016, the 9th National Conference on Boiler & Steam Systems,

organised by Saket Projects Limited

held on

19th - 20th February, 2016

and has been Awarded **3rd Prize**

D. L. Pandya

Date : February 19, 2016

Place : Ahmedabad

D. L. Pandya
Conference Convener

ORGANISER

SĀKET
PROJECTS LTD.

SAYAJI INDUSTRIES LIMITED

CIN
L99999GJ1941PLC000471

COMPANY INFORMATION

CHAIRMAN AND MANAGING DIRECTOR

Mr. Priyam B. Mehta

EXECUTIVE DIRECTORS

Mr. Varun P. Mehta

Mr. Vishal P. Mehta

NON EXECUTIVE DIRECTOR

Mrs. Sujata P. Mehta

NON EXECUTIVE INDEPENDENT DIRECTORS

CA Mahendra N. Shah

Dr. Gaurang K. Dalal

Dr. Janak D. Desai

CA Chirag M. Shah

BOARD COMMITTEES

AUDIT COMMITTEE

CA Chirag M. Shah - Chairman

CA Mahendra N. Shah

Mr. Priyam B. Mehta

Dr. Gaurang K. Dalal

NOMINATION AND REMUNERATION COMMITTEE

CA Mahendra N. Shah - Chairman

CA Chirag M. Shah

Dr. Janak D. Desai

STAKEHOLDERS RELATIONSHIP COMMITTEE

CA Mahendra N. Shah - Chairman

Dr. Gaurang K. Dalal

Mr. Varun P. Mehta

Mr. Vishal P. Mehta

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Mr. Varun P. Mehta - Chairman

Dr. Gaurang K. Dalal

Dr. Janak D. Desai

Mrs. Sujata P. Mehta

COMPANY SECRETARY

Mr. Rajesh H. Shah

B. Com., LL.B., A.C.S.

AUDITORS

M/s. Deloitte Haskins & Sells,

Chartered Accountants, Ahmedabad.

LEGAL ADVISORS

M/s. Nanavati & Nanavati,
Advocates,
Ahmedabad.

BANKERS

Punjab National Bank

REGISTERED OFFICE

P.O. Kathwada-Maize Products,
Ahmedabad - 382 430.

Tel. : +91 79-22901581 to 85

Fax : +91 79-22902424

E-mail : maize@sayajigroup.in

Web site : www.maizeproducts.com

REGISTRAR AND TRANSFER AGENTS

Karvy Computershare Private Limited.

Karvy Selenium Tower B, Plot 31-32,

Gachibowli Financial District,

Nanakramguda, Hyderabad - 500032

Phone: 040-44655000/040-44655188

e-mail : einward.ris@karvy.com

FACTORY

P.O. Kathwada,

Maize Products,

Ahmedabad - 382430,

Gujarat.

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75th Annual General Meeting on Tuesday, 13th September, 2016 at 9.00 a.m. at Bhuriba Lallubhai Mehta Primary School, P. O. Kathwada, Maize Products, Ahmedabad - 382430.

NOTICE

Notice is hereby given that the seventy fifth annual general meeting of Sayaji Industries Limited will be held at Bhuriba Lallubhai Mehta Primary School, P.O.Kathwada - Maize Products, Ahmedabad - 382430 on Tuesday, 13th September, 2016 at 9.00 a.m.. to transact the following business :

ORDINARY BUSINESS :

1. To consider and adopt the balance sheet as at 31st March, 2016 and the statement of profit and loss of the company for the year ended on that date and the report of directors and auditors thereon.
2. To declare a dividend on equity shares of the company for the year ended 31st March, 2016.
3. To appoint a director in place of Mrs. Sujata P. Mehta (holding DIN 00037746), who retires by rotation and being eligible offers herself for reappointment.
4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **ordinary resolution** :

"RESOLVED THAT pursuant to provisions of section 139 and other applicable provisions, if any, of the Companies Act, 2013 and rules framed thereunder, as amended from time to time, appointment of M/s Deloitte Haskins & Sells, Chartered Accountants, Ahmedabad (FRN 117365W) who were appointed as the Auditors of the company to hold the office from the conclusion of 73rd annual general meeting till the conclusion of 76th annual general meeting of the company to be held in the year 2017 at a remuneration to be decided by the audit committee/ board of directors from time to time and as agreed to by the auditors be and is hereby ratified."

SPECIAL BUSINESS:

5. To consider, and if thought fit, to pass with or without modification(s), the following resolution as an **ordinary resolution** :

"RESOLVED THAT pursuant to provisions of section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s Dalwadi and Associates, Cost Accountants (FRN - 000338) appointed as Cost Auditors by the board of directors of the company to audit the cost records of the company for the financial year 2016-17, be paid a remuneration of Rs.1,00,000/- (Rupees one lac only) plus service tax and out of pocket expenses."

"RESOLVED FURTHER THAT the board of directors of the company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

6. To consider, and if thought fit, to pass with or without modification(s), the following resolution as an **ordinary resolution** :

"RESOLVED THAT pursuant to provisions of sections 73, 76 and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Acceptance of Deposits) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the company be and is hereby accorded to invite and accept deposits from general public and shareholders of the company."

"FURTHER RESOLVED THAT board of directors of the company be and is hereby authorised to prepare a circular or a circular in the form of advertisement in the form prescribed under the Companies (Acceptance of Deposits) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) for inviting and accepting the deposits from general public and shareholders of the company and file the same with the office of the registrar of companies for registration thereof duly signed by the majority of the directors of the company and one month thereafter issue the circular or circular in the form of an advertisement in English language in English newspaper having contrywide circulation and in vernacular language in one vernacular newspaper having wide circulation in Gujarat State and a copy of the same be uploaded on the web-site of the company."

"FURTHER RESOLVED THAT the board of directors of the company be and is hereby authorised to determine whether to invite and accept secured or unsecured deposits and the board be and is hereby further authorised to create necessary security in favour of deposit holders in case it decides to accept secured deposits and execute necessary documents and comply with necessary formalities in this regards."

"FURTHER RESOLVED THAT the board of directors of the company be and is hereby further authorised to take all the steps to comply with the requirements of the provisions of section 73, 76 and other applicable provisions of the Companies Act, 2013 and Companies (Acceptance of Deposits) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) before inviting and accepting deposits from general

public and shareholders of the company and do all the necessary acts and things to ensure that all the compliances are done as required by the said act and rules."

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as **a special resolution** :

"RESOLVED THAT pursuant to the provisions of sections 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for time being in force) read with Schedule V to the said act as amended from time to time, consent of the members of the company be and is hereby accorded to payment of remuneration upto ₹.84,00,000/- per annum as mentioned in the draft supplemental agreement to be executed with Mr. Priyam B. Mehta, for the remaining tenure of his appointment as the managing director from 12th August, 2016 to 11th August, 2018."

"FURTHER RESOLVED THAT all other terms and conditions of his appointment shall remain valid and unchanged and the board of directors be and is hereby authorised to alter and vary such terms of his remuneration so as not to exceed the limits specified in Schedule V to the Companies Act, 2013."

"FURTHER RESOLVED THAT the board of directors of the company be and is hereby authorized to take such steps as may be necessary to give effect to this resolution."

8. To consider and if thought fit, to pass with or without modification(s) the following resolution as **a special resolution** :

"RESOLVED THAT pursuant to the provisions of sections 196, 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for time being in force) read with Schedule V to the said act as amended from time to time, consent of the members of the company be and is hereby accorded to the terms and conditions as contained in the draft

agreement to be executed with Mr. Vishal P. Mehta for his reappointment as the executive director of the company with effect from 26th July, 2016 to 31st March, 2021."

"FURTHER RESOLVED THAT the consent of the company be and is hereby accorded to the terms and conditions including remuneration payable to Mr. Vishal P. Mehta, the executive director for the period of three years from 26th July, 2016 to 25th July, 2019 as contained in the draft agreement to be entered into with him as approved by the remuneration committee and the board of directors at their respective meetings held on 30th May, 2016 ensuring that the remuneration to be paid to Mr. Vishal P. Mehta shall not exceed the limits prescribed under Schedule V to the Companies Act, 2013 ."

"FURTHER RESOLVED THAT his office shall be liable to determination by retirement of directors by rotation and if he is reappointed as a director, immediately on his retirement by rotation, he shall continue to hold the office of the executive director and such reappointment as a director shall not be deemed to constitute a break in his appointment as the executive director."

FURTHER RESOLVED THAT the board of directors of the company be and is hereby authorised to execute the agreement with Mr. Vishal P. Mehta the executive director of the company and to do all such acts, deeds, matters and things as in its absolute discretion, it may consider necessary, expedient or desirable, and to settle any question or doubt that may arise in relation thereto and the board of directors be and is hereby also authorised to alter and vary such terms of appointment and remuneration of Mr. Vishal P. Mehta so as not to exceed the limits specified in Schedule V to the Companies Act, 2013."

By order of the Board of Directors

Rajesh H. Shah
Company Secretary

Place : Ahmedabad
Date : May 30, 2016

DETAILS OF DIRECTORS SEEKING REAPPOINTMENT AT THE 75TH ANNUAL GENERAL MEETING OF THE COMPANY.

In terms of section 149,152 and other applicable provisions of the Companies Act, 2013 for the purpose of determining the directors liable to retire by rotation, the independent directors shall not be included in the total number of directors of the company. Mrs. Sujata P. Mehta shall accordingly retire at the forthcoming annual general meeting and being eligible offers herself for reappointment.

Mrs. Sujata P. Mehta was appointed as the director on the board of directors of the company at the annual general meeting of the company held on 26th July, 2014. Mrs. Sujata P. Mehta is a B.A. from Mumbai University. She is looking after the ceramic division of the company and is also managing the affairs of a IATA approved travel agency since last two decades.

Mrs. Sujata P. Mehta is a director in N.B. Commercial Enterprise Ltd., Viva Texchem Private Ltd., and Varun Travels Private Ltd. Mrs. Sujata P. Mehta is holding 14221 equity shares in the company and she is a member of corporate social responsibility committee of the company.

Pursuant to the requirements of the provisions of section 149 of the Companies Act, 2013, the company is required to appoint a woman director on its board of directors and to comply with this requirement, she was appointed as a director on the board of directors of the company and her office expires at the ensuing annual general meeting of the company.

Mrs. Sujata P. Mehta is interested in the resolution as it concerns her appointment. Mr. Priyam B. Mehta, Mr. Varun P. Mehta and Mr. Vishal P. Mehta being related to Mrs. Sujata P. Mehta may also be regarded as concerned or interested in the appointment of Mrs. Sujata P. Mehta. No other directors, key managerial personnel of the company and their relatives are concerned or interested, financially or otherwise, in the appointment of Mrs. Sujata P. Mehta.

By order of the Board of Directors

Rajesh H. Shah
Company Secretary

Place : Ahmedabad
Date : May 30, 2016

Notes:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ABOVE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. INSTRUMENT APPOINTING PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING. PROXIES SUBMITTED ON BEHALF OF COMPANY MUST BE SUPPORTED BY AN APPROPRIATE RESOLUTION AND AUTHORITY.**
2. The explanatory statement pursuant to section 102 of the Companies Act, 2013 which sets out details relating to special business at the meeting is annexed hereto.
3. The register of members and share transfer books of the company will remain closed from Thursday, the 8th September, 2016 to Tuesday, the 13th September, 2016 (both days inclusive).
4. The dividend on shares, if sanctioned by the annual general meeting, will be payable at specified branches of Axis Bank Limited, in India from 24th September, 2016, by dividend warrants valid for a period of three months to those shareholders whose names appear on the register of members of the company on 7th September, 2016. Thereafter, the dividend shall be paid by account payee cheques only from the registered office of the company at P.O. Kathwada, Maize Products, Ahmedabad – 382 430.
5. Pursuant to section 124 (5) of the Companies Act, 2013, all unclaimed/unpaid dividends in respect of the company's accounting year ended March 31, 2009 will be transferred to the investor education and protection fund (IEPF) set up by the government of India pursuant to section 124 (5) of the Companies Act, 2013, within 30 days from 8th October, 2016. Members are requested to make their claim to the company for unclaimed/unpaid dividend for the year 2008-2009 before 8th October, 2016.

The Ministry of Corporate Affairs (MCA) on 10th May, 2012 notified the IEPF (Uploading of Information Regarding Unpaid and Unclaimed Amount lying with Companies) Rules, 2012 (IEPF Rules), which is applicable to the company. The objective of the IEPF Rules is to help the shareholders ascertain status of the unclaimed amounts and overcome the problems due to misplacement of intimation thereof by post etc. In terms of the said IEPF rules, the company has uploaded the information in respect of the unclaimed dividend in respect of the financial year from 2006, as on the date of the 74th annual general meeting held on 13th August, 2015, on the web-site of IEPF viz. www.iepf.gov.in.

Members who have not yet encashed their dividend warrant(s) for the financial year ended on 31st March, 2010 and onwards, are also requested to make their claims to the company immediately at the registered office.

6. Members are requested to note that equity shares of the company are dematerialized and ISIN of the company is INE327G01016. The shareholders having their accounts with DPs having connectivity with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd (CDSL) may submit their shares for dematerialization to their respective DPs.
7. The company has appointed M/s Karvy Computershare Private Limited as the registrar and transfer agents for carrying out all the work relating to transfer, transmission, issue of duplicate share certificates in lieu of misplaced/ lost certificates, change of address etc., to establish connectivity with NSDL and CDSL and to process the Demat/ Remat requests received from the DPs with whom members have opened their respective beneficiary accounts. The Members are requested to send all their requests for share transfer, transmission, issue of duplicate share certificates, change of address etc. to **M/s Karvy Computershare Private Limited at Karvy Selenium Tower B, Plot 31-32, Gachibowli Financial District, Nanakramguda, Hyderabad - 500032.**
8. Members are requested to quote their folio numbers/ beneficiary account numbers in all their correspondence.
9. Members desirous of obtaining any information concerning the accounts of the company are requested to send their queries to the company secretary at least 7 days before the date of the meeting so that the information referred by the members may be made available at the meeting.
10. Electronic copy of the annual report for the year 2015-16 is being sent to all the members whose e-mail IDs are registered with the company/ depository participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the annual report for the year 2015-16 is being sent by post/ courier.
11. Members are requested to notify their bank account number to the company/ M/s Karvy Computershare Private Limited so as to ensure the smooth process of payment of dividend. Change, if any, in the bank account number should also be informed to the company/ M/s Karvy Computershare Private Limited at the earliest.

12. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the company is pleased to provide members facility to exercise their right to vote at the 75th annual general meeting by electronic means. The company has appointed M/s Karvy Computershare Private Limited for facilitation e-voting to enable the members to cast their votes electronically. The instruction and other information relating to e-voting are enclosed in a separate letter sent with this notice.
13. All documents referred to in the accompanying notice and the explanatory statement shall be open for inspection at the registered office of the company during normal business hours (9.30 a.m. to 5.00 p.m.) on all working days, up to and including the date of the annual general meeting of the company.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 IN RESPECT OF SPECIAL BUSINESS

Item no.5

The Board, on the recommendations of the Audit Committee has approved the re-appointment of M/s Dalwadi and Associates, Cost Accountants (FRN - 000338) as cost auditor at a remuneration of Rs 1,00,000/- (Rupees One Lac only) plus service tax and out of pocket expenses as applicable to conduct the audit of the cost records of the company for the financial year ending 31st March, 2017.

In accordance with the provisions of Section 148 of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the company.

Accordingly, consent of the members is sought for passing an ordinary resolution as set out at item no. 5 of the notice for ratification of the remuneration payable to the cost auditors for the financial year ending 31st March, 2017.

Certificate dated May 14, 2016 issued by the above firm regarding their eligibility for appointment as cost auditors will be available for inspection at the registered office of the company during 9.30 a.m. to 5.00 p.m. on all working days and shall also be available at the annual general meeting of the company.

None of the directors and key managerial personnel of the company and their relatives are concerned or interested, financially or otherwise in the resolution set out at item no. 5.

The Board recommends the resolution as set out at item no.5 of the notice for approval of the members.

Item no.6

The Companies Act, 2013 and Companies (Acceptance of Deposits) Rules, 2014 allows the company to invite and accept deposits to the extent of 25% of its paid up capital and free reserves from general public and to the extent of 10% of its paid up capital and free reserves

from its shareholders after passing a resolution at the annual general meeting of the company and after complying with various requirements as mentioned in section 73 and section 76 of the Companies Act, 2013 and Companies (Acceptance of Deposits) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force). The consent of the members of the company is accordingly sought for the purpose of inviting and accepting deposits by way of passing an ordinary resolution as mentioned in item no.6.

It is also proposed to authorize the board of directors of the company to invite and accept secured or unsecured deposits and take all the necessary steps to ensure compliance of the provisions of section 73 and 76 of the Companies Act, 2013 and Companies (Acceptance of Deposits) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) for the purpose of accepting and inviting such deposits from general public and shareholders as aforesaid and for the purpose of filing a circular or circular in the form of advertisement with registrar of companies before one month of issuance of such circular or advertisement and subsequently issuance of such circular or advertisement in the manner as indicated in the resolution.

None of the directors and key managerial personnel of the company and their relatives are concerned or interested, financially or otherwise in the resolution set out at item no.6.

Item No.7

Mr. Priyam B. Mehta has more than 3 decades of experience in the starch industry and he has been actively involved in the day-to-day management of the company. There has been commendable growth in the company since he has taken over the management of the company with his late father Mr. Bipin V. Mehta.

Members of the company at their annual general meeting held on 14th August, 2013 approved reappointment of Mr. Priyam B. Mehta as the managing director of the company for the period of 5 years with effect from 12th August, 2013 to 11th August, 2018 by way of special resolution. The Central Government granted its approval to the appointment of Mr. Priyam B. Mehta as the managing director of the company for the period of 5 years as aforesaid vide its letter dated 13/3/14. The Central Government also approved his remuneration for the period of three years from 12/8/13 to 11/8/16 vide the same letter as mentioned above.

The nomination and remuneration committee and the board of directors of the company at their respective meetings held on 30th May, 2016 approved the following remuneration to Mr. Priyam B. Mehta as the managing director of the company for the remaining tenure of his appointment from 12th August 2016 to 11th August, 2018 and approval of the members of the company is sought to the same in terms of the provisions of section 197, 203 and other applicable provisions of the Companies Act, 2013 read with Schedule V to the said act as may be amended from time to time:

- a) Salary : Up to ₹.6,00,000/- per month as approved by the board from time to time and as permissible under Schedule V to the Companies Act, 2013.
- b) Perquisites : Including residential accommodation, furniture, furnishings and fixtures, gas, electricity, water, medical benefits in India or overseas, leave and leave travel facilities, employees stock option schemes etc. as may be approved by the board of directors from time to time. Such perquisites may also be provided by way of cash allowances in lieu thereof wherever appropriate. The said perquisites and allowances shall be evaluated wherever applicable, as per the provisions of Income Tax Act, 1961 or any rules made there under or any statutory modification(s) or re-enactment thereof and in absence of any such rules, perquisites and allowances shall be evaluated at actual cost.

Company's contribution to provident fund, superannuation or annuity fund, gratuity payable and encashment of leave, as per the rules of the company and to the extent not taxable under the Income Tax Act, shall not be included for the purpose of computation of the overall ceiling of remuneration.

Salary and monetary value of perquisites shall be within the overall ceiling on remuneration under the provisions of section 197, 203 and other applicable provisions of the Companies Act, 2013 and Schedule V to the said act as may be amended from time to time.

- c) Commission : Within the overall ceiling on remuneration of 5% and 10% of the net profits of the company computed in the manner laid down under Section 197 of the Companies Act, 2013 in each year.
- d) The managing director shall be allowed reimbursement of entertainment, travelling, lodging and boarding including for his spouse during his business trips, any medical assistance provided including for his family members and provision of cars for use on company's business and telephone expenses at residence and the same shall not be considered as perquisites.
- e) The managing director shall not so long as he functions as such be paid any sitting fees for attending the meetings of the board of directors or committee thereof.
- f) The remuneration referred to above is subject to the limits of 5% and 10% of the net profits of the company as laid down in section 197 of the Act and subject further to the overall limit of 11% prescribed in the said section. Notwithstanding anything herein contained, where in any financial year during the period of his office as the managing director, the company has no profits or its profits are inadequate, the company may, subject to the requisite approvals, if any, pay to Mr. Priyam B. Mehta remuneration by way of salary, allowances, perquisites not exceeding the maximum limits laid down in Schedule V to the Companies Act 2013 as may be agreed to by the board of directors and Mr. Priyam B. Mehta.

All other terms and conditions of the agreement entered into with Mr. Priyam B. Mehta remains the same and valid for the remaining tenure of his appointment till 11th August, 2018.

The Board of Directors considers that the payment of aforesaid remuneration for the remaining tenure of Mr. Priyam B. Mehta as aforesaid is in the best interest of the company.

The remuneration of Mr. Priyam B. Mehta requires approval of the members of the company.

Mr. Priyam B. Mehta holds 9115 equity shares of the company in his own name and no share or convertible instrument in the company is held by him either in his own name or in the name of any other person on a beneficial basis.

In accordance with the provisions of sections 197, 203 and other applicable provisions of the Companies Act, 2013, the board recommends the special resolution set out at item no.7 of the accompanying notice for the approval of the members.

Copy of the draft supplemental agreement referred to in the resolution would be available for inspection without any fee by the members at the registered office of the company during normal business hours on any working day upto and including date of the annual general meeting.

Mr. Priyam B. Mehta is concerned and interested in the resolution. Mrs. Sujata P. Mehta, Mr. Varun P. Mehta and Mr. Vishal P. Mehta to whom Mr. Priyam B. Mehta is related may also be regarded as concerned and interested in the resolution. None of the other directors, key managerial personnel of the company and their relatives are concerned or interested, financially or otherwise, in the special resolution as set out at item no.7. This explanatory statement may also be regarded as a disclosure under regulation 34(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Item No.8

Mr. Vishal Priyam Mehta is B.Sc.(Business Administration) from Babson College, USA with honours in Economics with specialization in Business Strategy. Mr. Vishal Priyam Mehta has been actively involved in the day-to-day management of the company since his appointment as a director of the company and looks after all important functions of the company like production, purchase and plant operations. He has been instrumental in efforts of the company to cut the costs at all the levels and to ensure de-bottlenecking which has improved the technical parameters of the company.

Mr. Vishal P. Mehta is the director on the board of directors of N B Commercial Enterprises Ltd., Sayaji Sethness Ltd., Sayaji Corn Products Ltd. and Viva Texchem Private Ltd.

Mr. Vishal P. Mehta is the member of stakeholders relationship committee.

Concurring with the recommendations of the nomination and remuneration committee at its meeting held on 30th May, 2016 and based on the qualifications, experience and contributions of Mr. Vishal P. Mehta, the board at its meeting held on 30th May, 2016 has decided to reappoint him as the executive director of the company for the period from 26th July, 2016 to 31st March, 2021 with the following remuneration for the period of three years from 26th July, 2016 to 25th July, 2019 :

- a) Salary : Up to ₹.6,00,000/- per month as approved by the board from time to time and as permissible under Schedule V of the Companies Act, 2013
- b) Perquisites: including residential accommodation, furniture, furnishings and fixtures, gas, electricity, water, medical benefits in India or overseas, leave and leave travel facilities, employees stock option schemes etc. as may be approved by the board of directors from time to time. Such perquisites may also be provided by way of cash allowances in lieu thereof wherever appropriate. The said perquisites and allowances shall be evaluated wherever applicable, as per the provisions of the Income Tax Act, 1961 or any rules made there under or any statutory modification(s) or re-enactment thereof and in absence of any such rules, perquisites and allowances shall be evaluated at actual cost.

Company's contribution to provident fund, superannuation or annuity fund, gratuity payable and encashment of leave, as per the rules of the company and to the extent not taxable under the Income Tax Act shall not be included for the purpose of computation of the overall ceiling of remuneration.

Total Salary and monetary value of perquisites to Mr. Vishal P. Mehta as the executive director shall be within the overall ceiling on remuneration under the provisions of section 197 and other applicable provisions of the Companies Act, 2013 and Schedule V to the said act as may be amended from time to time.

- c) Commission : Within the overall ceiling on remuneration of 5% and 10% of the net profits of the Company computed in the manner laid down under Section 197 of the Companies Act, 2013 in each year.
- d) The executive director shall be allowed reimbursement of entertainment, travelling, lodging and boarding including for his spouse during their business trips, any medical assistance provided including for his family members and provision of cars for use on company's business and telephone expenses at residence and the same shall not be considered as perquisites.
- e) The executive director shall not so long as he functions as such be paid any sitting fees for attending the meetings of the board of directors or committee thereof.

- f) The remuneration referred to above is subject to the limits of 5% and 10% of the net profits of the company as laid down in section 197 of the Act and subject further to the overall limit of 11% prescribed in the said section. Notwithstanding anything herein contained, where in any financial year during the period of his office as the executive director, the company has no profits or its profits are inadequate, the company may, subject to the requisite approvals, if any, pay to Mr. Vishal P. Mehta remuneration by way of salary, allowances, perquisites not exceeding the maximum limits laid down in Section II of Schedule V to the Companies Act 2013 as may be agreed to by the board of directors and Mr. Vishal P. Mehta.

Mr. Vishal P. Mehta's office shall be liable to determination by retirement of directors by rotation and if he is reappointed as a director, immediately on his retirement by rotation, he shall continue to hold the office of the executive director and such reappointment as a director shall not be deemed to constitute a break in his appointment as the executive director.

The Board of Directors considers the re-appointment of Mr. Vishal P. Mehta to be in the best interest of the company.

Re-appointment and remuneration of Mr. Vishal P. Mehta requires approval of the members of the company.

Mr. Vishal P. Mehta holds 1800 equity shares of the company in his own name and no share or convertible instrument in the company is held by him either in his own name or in the name of any other person on a beneficial basis.

In view of the provisions of section 196, 197, 198 and other applicable provisions of the Companies Act, 2013, the board recommends the special resolution set out at item no.8 of the accompanying notice for the approval of the members.

Copy of the draft supplemental agreement referred to in the resolution would be available for inspection without any fee by the members at the registered office of the company during normal business hours on any working day upto and including date of the annual general meeting.

Mr. Vishal P. Mehta is concerned and interested in the resolution. Mr. Priyam B. Mehta, Mrs. Sujata P. Mehta and Mr. Varun P. Mehta to whom Mr. Vishal P. Mehta is related may also be regarded as concerned and interested in the resolution. None of the other directors, key managerial personnel of the company and their relatives are concerned or interested, financially or otherwise, in the special resolution as set out at item no.8. This explanatory statement may also be regarded as a disclosure under regulation 34(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.